

# IRS News Release

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## **IRS Reminds Taxpayers to Report Certain Foreign Bank and Financial Accounts by June 30**

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WASHINGTON — The Internal Revenue Service today reminded U.S. persons who have bank and other financial accounts in a foreign country that they may be required to report those accounts to the U.S. Department of Treasury by the June 30 deadline.

With globalization, more people in the U.S. have foreign financial accounts. There is nothing improper about setting up or maintaining such accounts. Still, IRS officials are concerned that U.S. persons may overlook that their accounts are large enough to trigger reporting obligations.

“There are responsibilities that go along with owning such foreign bank and financial accounts,” said IRS Commissioner Doug Shulman. “Foreign account owners must remember that they may have to report their accounts to the government, even if the accounts do not generate any taxable income.”

Since 2000, the number of Report of Foreign Bank and Financial Accounts (FBAR) forms received by the Treasury has increased by nearly 85 percent, from 174,528 in 2000 to 322,414 in 2007. Despite this significant increase in filings, concern remains about the degree of reporting compliance for those who are required to file.

U.S. persons are required to file a Report of Foreign Bank and Financial Accounts (FBAR), Form TD F 90-22.1, each year if they have a financial interest in or signature authority or other authority over any financial accounts, including bank, securities or other types of financial accounts, in a foreign country, if the aggregate value of these financial accounts exceeds \$10,000 at any time during the calendar year.

The 2007 FBAR form is due June 30, 2008.

The FBAR is not an income tax return and should not be mailed with any income tax returns. The FBAR must be filed on or before June 30 of the following year to: U.S. Department of the Treasury, P.O. Box 32621, Detroit, MI 48232-0621.

Unlike with federal income tax returns, requests for an extension of time to file an FBAR are not granted.

Civil and criminal penalties for non-compliance with the FBAR filing requirements are severe. Civil penalties for a non-willful violation can range up to \$10,000 per violation. Civil penalties for a willful violation can range up to the greater of \$100,000 or 50 percent of the amount in the account at the

time of the violation. Criminal penalties for violating the FBAR requirements while also violating certain other laws can range up to a \$500,000 fine or 10 years imprisonment or both. Civil and criminal penalties may be imposed together.

If a holder of a foreign account was required to file FBARs for earlier years, however, he or she should file the delinquent FBAR reports and attach a statement explaining why the reports are filed late. No penalty will be assessed if IRS determines that the late filings were due to reasonable cause. The account holder should keep copies of their statement for his or her own record.

FBAR information returns for the 2007 calendar year must be filed with the U.S. Department of Treasury, P.O. Box 32621, Detroit, Mich., 48232-0621. The address for commercial delivery is: U.S. Department of Treasury, Currency Transaction Reporting, 985 Michigan Avenue, Detroit, Mich., 48226.

The FBAR form is not available for electronic filing, but many income tax software packages can prepare a printed copy. FBAR forms and instructions are also available on [IRS.gov](http://IRS.gov) or the [FinCEN Web site](#) and by calling 1-800-829-3676.

Taxpayers who need assistance completing Form TD F 90-22.1 can contact the IRS by telephone at 1-800-800-2877, option 2, or via email at [FBARquestions@irs.gov](mailto:FBARquestions@irs.gov).